

**MINUTES OF REGULAR MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
TUESDAY, SEPTEMBER 21, 2004**

REGULAR MEETING

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, on Tuesday, September 21, 2004 at 5:10 p.m. Present were: Chair Bill Benjamin, Joe Wood, Nettie Coad and Jerry Leimenstoll. Dan Curry, Dyan Arkin and Sue Schwartz represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., was present as legal counsel for the Commission.

Chair Benjamin called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

1. APPROVAL OF THE MINUTES OF JULY 20, 2004.

Mr. Leimenstoll moved approval of minutes of the July 20, 2004 meeting as written, seconded by Mr. Wood. The Commission voted 2-0-2 in favor of the motion. (Ayes: Wood, Coad. Nays: None. Abstain: Benjamin, Leimenstoll.)

2. ARLINGTON PARK NEIGHBORHOOD. UPDATE ON 1700 MARTIN LUTHER KING, JR. DRIVE.

Mr. Curry said, at the direction of Commission from its last meeting, 1700 Martin Luther King, Jr. Drive was re-advertised at a minimum bid amount of \$25,000. Staff received only one bid on the property from Darryl and Barbara Gore Washington in the amount of \$25,000. Staff advertised the property for an upset bid and no upset bids were received. The Washington's have submitted architectural plans and a site plan for the property which staff is in the process of reviewing. Staff was asking the Commission to approve, subject to final review and approval of the architectural plans and financing package, sale of the property to the Washington's for \$25,000 and to authorize staff to submit the sale to City Council for approval.

In response to a question from Chair Benjamin, Counsel Blackwood said it would go to City Council because all transfers of real estate by the Commission were subject to Council approval.

Mr. Wood moved that the Commission approve the sale of 1700 Martin Luther King, Jr. Drive to Darryl M. and Barbara Gore Washington for the amount of \$25,000, subject to the approval by staff of the site plan, financing package and other matters deemed pertinent by staff, seconded by Mr. Leimenstoll. The Commission voted 4-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll. Nays: None.)

In response to a question from Mr. Wood, Mr. Curry said staff would submit this matter to the City Council for approval at the next City Council meeting, which would be the first meeting in October.

8. ADDITIONAL BUSINESS

Ms. Arkin said there were people present who wished to speak on an Additional Business item involving a request from Bennett College to add an additional trailer on the property being leased from the Commission at 609 Gorrell Street.

Chair Benjamin said he would have to recuse himself in consideration of this matter since his law firm represented Bennett College. He would turn the meeting over to Vice Chair Wood.

Vice Chair Wood asked if this was for an additional trailer on the existing site or the building of a permanent building.

Ms. Arkin said it was for the siting of second temporary building.

Ms. Coad asked if that would fall with the same time frame, a two-year period, as the original agreement.

Ms. Arkin said it would not change the lease in any way. The lease was until July of 2005, at which time it could be terminated or extended in some fashion.

Mr. Leimenstoll moved that this item be moved up on the agenda to be heard by the Commission, seconded by Mr. Wood. The Commission voted 3-0-1 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin.)

Ms. Arkin gave a short background on the property leased to Bennett College located at 609 Gorrell Street for temporary use as a Middle College. Commissioner Leimenstoll and Dan Curry were authorized by the Commission to approve site plans and proposed structures. They had reviewed and approved the changes that were being brought before the Commission this evening. She said Eric Holstra from the Guilford County Schools was present to speak to this issue.

Eric Holstra, 900 English Road, High Point, said this fall when they opened school, almost 100 women enrolled at the Middle College Program at Bennett College. Last year, they had 66. In addition, the College had enrolled about 500 students so the College was maxed out. The new modular building would be placed behind and southeast of the existing building on the site and is approximately 24' by 36'.

In response to questions from Ms. Coad, Mr. Holstra said the students meeting in these structures had classes on the campus of Bennett College. The principal had her office in the previous structure. There was also a place for the teachers to have a small workroom, a guidance counselor and a secretary who operated the computer to do the accounting for the students. He said the principal had told him that she wanted to use the second structure as a computer lab for these students. Then the teachers could use the space they are now using in the existing modular trailer to do their email and business preparation. Previously, the students were using a math room as a computer lab.

In response to a question from Vice Chair Wood, Mr. Leimenstoll said that nothing had been made permanent on this site.

Counsel Blackwood said the lease required, when it terminated, that any improvements, including gravel and asphalt, be removed and the land returned to the condition it was at the beginning of the lease. The rest of the lease referred to how it was to be used in conjunction with the Guilford County School System and that all improvements placed upon the land were subject to being removed at the termination of the lease and any additional improvements would be subject to being approved by the Mr. Leimenstoll and Mr. Curry, and by the original lease the Commission designated

Mr. Leimenstoll said he had never seen the site plan for the additional modular unit.

Ms. Arkin apologized and said she thought she understood that Mr. Curry and Mr. Leimenstoll had reviewed this.

Mr. Curry said he would like to clarify. The original plans had been reviewed, yes. It was a paved parking lot and you had to have paved parking for this use. It was temporary in that our lease agreement was a temporary lease agreement. If the Commission chose to discontinue that lease, then they would be required to remove it; that was the temporary nature of it. As far as the physical construction of it, it was a paved parking lot with concrete fire blocks just like you would normally find at any other building.

Mr. Curry said Mr. Leimenstoll had not seen the new site plan, but he saw it prior to the meeting today.

Counsel Blackwood suggested that the Commission could authorize Mr. Leimenstoll and Mr. Curry to review the plan, just as in the original lease. If they approve it, then it would not need to come back further for review by the Commission.

Ms. Coad said she would agree to that.

Vice Chair Wood said he would entertain a motion that the Commission approves this, subject to review by Mr. Leimenstoll and Mr. Curry, seconded by Mr. Leimenstoll.

Vice Chair Wood asked if the modular building was a standard school modular unit.

Mr. Holstra responded, "Yes."

The Commission voted 3-0-1 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll. Nays: None. Abstain: Benjamin.)

3. SOUTHSIDE NEIGHBORHOOD. TRANSFER OF PROPERTY TO GREENSBORO HOUSING DEVELOPMENT PARTNERSHIP (GDHP).

7-2-5	450 Arlington	16-5-1	208 King Street
29-7-23	McAdoo cul-de-sac	16-5-11	202 King Street
29.7.22	McAdoo cul-de-sac	16-6-9	327 Gorrell Streets.

Ms. Schwartz, Chief of Neighborhood Planning for HCD, said they were at the last of the property in Southside to be developed. These were the last few parcels to be transferred to GHDP as part of the Commission's agreement with GHDP to provide oversight for the development. Some of

the parcels are "leftovers," rights-of-way, some were parcels that the Commission dealt with earlier, the Cox property, and a piece of property on Arlington Street, which the City had owned, but was identified on the Redevelopment Plan for redevelopment. They were ready to put something on that property. Hopefully this was the last piece of routine business the Commission would have for Southside.

Counsel Blackwood said the basic situation down there was to transfer what the City owns in fee to the Commission for disposition in Southside, as opposed to having simply been a right-of-way dedication. He said "in fee" meant full ownership of all the rights as opposed to just an easement or an access right. For information purposes since it won't have to come to the Commission, the City would need to go through a road closing process also on the way McAdoo was configured for right-of-way purposes, but having transferred this, the street closure would result in ownership of the right-of-way then going to the adjacent owners. That would work to put Southside where it needs to be with the new rectangular cul-de-sac down there.

With reference to the three Cox properties known as the Bartlett Tree and Bartlett building, Ms. Schwartz said the Commission had acquired these in January, but they were subject to a lease that expires in 2006. The occupants could leave any time between now and 2006. Ms. Schwartz said the one-story office building was being used by the City as temporary storage until the Commission disposes of that property.

In response to a question from Chair Benjamin, Mr. Blackwood said that basically the Commission would be transferring this property subject to terms under which it had previously transferred properties in Southside to GHDP, the terms being that all net proceeds, after closing expenses, were returned to the Commission and City upon GHDP's disposal of the property. Whether or not the Commission actually transferred all of it at one time or not didn't really matter, but if they did, the matter would not have to come back to the Commission.

Counsel Blackwood said, as to the Bartlett properties, either side could terminate the lease with 90 days notice. As to the cul-de-sac property, Southside Neighborhood, LLC, owned both sides of the road so if he could go ahead and get them transferred and have the road closed, the property could go to the developer.

Ms. Schwartz said the way it had been replatted, there would be developable land at the bottom of McAdoo. In terms of how the land had been replatted, according to the TND for Southside, it would be very attractive to a potential buyer.

Mr. Leimenstoll asked if the parcel of land was not in the TN district, would they have to amend the Plan in order to encompass that.

Counsel Blackwood said it had already been acquired by the Commission. Actually, what the Commission was doing was agreeing to transfer all these properties to GHDP under terms that provide that they would proceed to develop it in an appropriate fashion for the Southside Neighborhood. The neighborhood is a larger area than the Redevelopment Area. Once it was developed we would get the proceeds back. In the meantime, the Commission had a deed of trust on the property to secure the performance of the obligation. The fact the property was outside of the boundaries of the Redevelopment Area would not impact anything. Once it's in a position suitable for platting, the overall restrictions and declarations that the Commission

approved a couple of years ago for Southside actually envisioned that the boundaries would be subject to those declarations and could be beyond the Redevelopment Area. The conveyances the Commission had done in all cases had subjected properties to those declarations, even if they were not in the exact Redevelopment boundaries.

Ms. Schwartz said the major reason that they had some of the boundaries where they were for this Redevelopment Plan was that the money wouldn't go that far, especially had they started going into the industrial area and had to deal with industrial cleanup. The intent was to get enough of a core of this neighborhood that the market would start creating the investment outside and they were now seeing it spill over into the surrounding neighborhoods in all directions.

Chair Benjamin moved that the Redevelopment Commission approve the items marked in dark gray that were shown on the proposed map to transfer them to GHDP according to the same procedures that the Commission had used in the past, with the net proceeds being returned to the Redevelopment Commission upon the sale. Mr. Wood seconded the motion. The Commission voted 4-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll. Nays: None.)

4. WILLOW OAKS NEIGHBORHOOD. ACQUISITION OF 1611 McCONNELL ROAD.

Ms. Arkin said this lot at the northwest corner of McConnell at Hwy. 29 had been acquired by NCDOT. It was contiguous to three lots acquired by the Commission as part of Phase III of the Willow Oaks Project. Staff was requesting authorization from the Commission to explore acquiring the remainder of this lot from NCDOT subsequent to completion of the bridge project in order to provide a more attractive site for future development. This was a partial lot and staff was not sure at this point how large it was. She thought they were eliminating the street frontage that would be needed for it to be a separate lot. NCDOT bought this property from a private owner; it was not on the acquisition list originally.

Chair Benjamin said it had been his experience that this type of residual land has no use to anybody else and if the Commission can add it onto existing lots, it will create additional value. Cost would be negligible and NCDOT usually releases that type of parcel.

Mr. Wood moved that the Commission allow staff to investigate the possible acquisition of the remainder of the 1611 McConnell Road, seconded by Mr. Leimenstoll.

Ms. Arkin said her understanding that there was precedent for this with the local DOT and NCDOT working together and eventually the land would be turned over to the City at some level. Generally it did not coincide with the lot next door, so it was not really packagable in any significant way. However, her understanding was that NCDOT generally was just eager to dispose of it. They did not want to have to maintain it; they don't want it to be something that they would be in anyway responsible for, so potentially a very equitable manner could be worked out.

Chair Benjamin said it had been moved and seconded that the Commission allow staff to proceed regarding the acquisition of 1611 McConnell Road and to bring something to the Commission. The Commission voted 4-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll. Nays: None.)

5. WILLOW OAKS NEIGHBORHOOD. PARTIAL LOT ACQUISITIONS FOR PHASE II

Ms. Arkin said Phase II infrastructure construction documents had shown the need to acquire portions of three lots, 2111 McConnell, 1712 Spencer and 701 Dorgan, for street construction and lot realignment. Final determination of lot lines and rights-of-way would occur at the time the final plat was recorded. Staff would request authorization from the Commission to negotiate "right to enter and construct" agreements with the owners prior to infrastructure construction and to finalize purchase agreements and/or conveyance of residual land at the time of final plat recordation.

Ms. Arkin said there were two conditions where, in order to realign the adjoining lot lines, there may be an opportunity to trade some land with the existing owner rather than actually purchase a corner of their property. They would be asking for a corner of their property, but they will also be willing to give a corner of the adjoining lot and it would work out well for these owners as well as for the Commission. She had put maps in the packets and would be happy to speak to any of the conditions, if the Commission would like her to do so.

Chair Benjamin said he had not heard of what Ms. Arkin had said before, but he thought he understood. The right to enter and construct meant that they would be able to build before they figured out what to pay for.

Ms. Arkin said, as part of the agreement, the Commission would give the owners maps that give an approximation of the area of land that would be utilized for this construction. She said 2111 McConnell Road would just be a purchase. What was needed was the land colored in gray for the infrastructure construction of that road, which was above it on the map.

Chair Benjamin asked what would happen if these people should say, "no" and an agreement was not reached.

Ms. Arkin said this was for street right-of-way and the City actually could go in and acquire this property.

Chair Benjamin said all the Commission was being asked to do was preempt the requirement, if the Commission could do it in the Commission's name.

Ms. Arkin said the Commission would attempt to purchase it ahead of time so as not to hold up construction during the construction process. There was a little window here when they could get started on this.

Ms. Arkin explained to the Commission how the owner of 701 Dorgan Street could benefit from a swap of a small portion of property. She said potentially on this one, there might be a small cost involved because they needed more land than they were able to convey to the owner.

Mr. Wood moved that the Commission give staff the authority to proceed with these partial lot acquisitions for Phase II infrastructure on the properties known as 1712 Spencer Street, 701 Dorgan Avenue and 2111 McConnell Road, seconded by Ms. Coad. The Commission voted 4-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll. Nays: None.)

Ms. Coad said she meant to ask one question while Ms. Schwartz was present, but perhaps Mr. Curry could answer it for her. She wanted to know about the sales in Southside and if

everything was selling. She had understood that everything was being sold and not rented. She had been told that there were some "for rent" signs.

Counsel Blackwood said everything did not have to be owner occupied. There are a limited number, five or ten, units that are allowed to be rented. That provision was in the declaration that was approved several years ago. He said there was a distinction between the single-family houses. On those, the accessory units could be rented. There was an exception on some of the townhouses. Most of those are live/work where the owners have to reside.

Ms. Coad said the thinking in the community was that everything was for purchase and with "for rent" signs being seen, she didn't know how to address it. She had said she didn't think there were supposed to be any rental property, except if you owned it and rented part of it out.

Counsel Blackwood said there were a limited number of units that could be rented.

6. SOUTH ELM STREET. PROJECT UPDATE.

Mr. Curry said he was passing around an update on the South Elm Street Project. They have funding from the Environmental Protection Agency (EPA) and hope very soon to have funding from Housing & Urban Development (HUD) to redevelop the site from Lee Street down to Bragg Street and from Arlington Street over to the railroad tracks on the west. He gave a brief update on the overall project.

He said a contract was being signed with Engineering Consulting Services (ECS) for the environmental assessment work, and, hopefully, work will begin within 30 days. Their first step will be to contact property owners and get agreements to actually go on privately owned properties to do whatever additional work they need to do on the site. There is an 18-member advisory team that had been appointed by the City Manager. They had their first orientation meeting last month and will have another meeting tomorrow. The team will be reviewing the process for selection of the Master Planning Team and staff hopes to have a request out for proposals for the Master Planning Team by the end of October.

Mr. Curry said staff has received a verbal agreement but is still waiting for the written grant agreements from HUD for the \$2 million Brownfield Grant and the \$3 million Section 108 loan.

Mr. Curry said that in June, the Commission approved a resolution to proceed with advance acquisitions under the condition that more information be provided about how it would work.

He asked the Commissioners to flip over to the sheet entitled, Update on South Elm Street Project, where staff had begun to sketch out how the advance acquisition program will work and the steps involved in getting there. Staff will not be asking the Commission to approve anything tonight and should be back in October with a policy for the Commission to act on that would define exactly how the program was going to work. Because the Commission will not have condemnation authority until the actual Redevelopment Plan is adopted, the current method by which the Commission would acquire property and the method by which staff then relocates people who were on that property had to be modified. He walked the Commission through the 13

steps set out on the "Steps to Acquisition - S. Elm Street" and the voluntary acquisition program. He reiterated it was all of the property south of Lee, west of Arlington. The funding in place was

only enough to redevelop that 10-acre site. Staff would be doing a Master Plan that would look at the longer corridor and may identify some future project sites as well, but the funding that was about to be put in place, the grant funds, were only enough to cover that 10 acres. Mr. Curry said there were 30 individual parcels in those 10 acres, with 16 different owners.

He said the next step that staff had identified was to bring back to the Commission in October an "Optional Acquisition and Relocation Policy," which sounds complicated, but is just a few things staff has to modify in terms of their current procedures. Because the Commission does not have condemnation authority, staff will enter into a negotiation to purchase the property. But if an agreement on price cannot be negotiated, the acquisition process is discontinued until such time as the Commission does have condemnation authority. This impacts how staff handles relocation because normally, as soon as the Commission makes an offer on a piece of property, the tenants on that property are eligible for relocation under Federal regulations and staff starts working with them. The tenants can actually move before the Commission buys the property. In this case, because there was no guarantee that they will follow through and buy the property, tenants will not be eligible for relocation until the Commission actually closes on the property. They will be notified that the Commission has an interest in purchasing this property. The notices will look a little different because they will make it very clear tenants should not move until such time as they are notified that they are eligible for relocation, which will be when the Commission actually closes on the property.

In response to Mr. Wood's question regarding the Commission not having condemnation authority for a year or so, Mr. Curry said the process to acquire condemnation authority was to prepare a Redevelopment Plan meeting state statutes and have that Plan go through a public hearing process. That Plan will be the result of the Master Planning Process that staff was just starting, and they estimated it would be an eight-month to a one-year process.

Mr. Curry said the Commission did not have to start negotiating on properties now. One of the reasons that they were trying to set it up to be able to acquire property was that staff has heard from property owners who either have an interest in selling or feel that their property values are being harmed by the threat of this project coming, so staff is trying to provide an opportunity if somebody wants to sell, staff could respond. Staff is also responding to concerns they heard from the Commission that it be a timely and fair process, where everybody gets the same information at the same time and has the same opportunities. Staff is suggesting a process whereby staff would notify all 16 owners that there is an interest in purchasing their property and will appraise all 30 properties and ask the Commission to set prices, which will then be made known to all the property owners as quickly as it could be packaged. Staff would do it all at once so that they were dealing with the same prices, with everybody being treated in the same environment and the same relative time frame. Then the property owners could decide whether they were ready and interested in responding to that offer or not.

Mr. Wood said the one thing that bothered him was the fact that they would not be eligible for relocation and help until the property closes. He said if an owner or tenant found a good place for their relocation and relocate to that place before the property closes, would they still receive their relocation allowance?

Chair Benjamin said if they elected to go ahead and relocate, they elect to relocate. How do you know it was done because of this issue or not?

Ms. Coad asked if the tenants of this property, whether owner/tenant or just tenant, had to go?

Chair Benjamin said they would have to go at some point. He thought what they needed to add to the Planning Process, and he thought it was good, but his concern was that the Commission would inflict blight on the neighborhood. The Commission needed to think about when they open this up, would they have funding in place to take care of all 30 properties at one time?

Mr. Curry said they hoped so. He said staff would not launch this unless they think that they do. Mr. Curry said the HUD grant and loan funds would provide funds to purchase the properties and relocate occupants.

Chair Benjamin said he thought one of the keys was that if the Commission set a price and the seller agreed to sell, then the Commission needs to have an agreement that says, "If we sign a contract, we will close in 60 days" or something like that, some kind of rule of thumb so that we could get some kind of certainty out there for the people. There will be people who were tenants who might not be a part of our process. The proceeds would go directly to the owners, yet there will be all this hearsay. The tenants have no control because they don't know whether their owner is going to elect to sell.

Mr. Curry said that was the primary reason the Commission could not offer those tenants relocation. He said staff thought acquiring the 30 parcels of land would be much less than \$5 million.

Ms. Coad said the only thing that bothered her was if renters had to go and could not get relocation money.

Counsel Blackwood said staff is trying to respond to the process of certifying a plan document and acquisition, which has been a long process. This would be a means by which they could more expeditiously try to respond to the impacted owners. The Commission could go through a more rapid adoption of a Plan that really wasn't going to say a whole lot. It might identify what you need to acquire or say that potentially the Commission wanted to acquire everything, but it probably would be very generalized about what the Commission was going to do with it and the Commission would see one or more "thereafters" where the Commission would have to go through amendments with additional public hearings. He believed staff was trying to have a concrete idea about disposition before they presented the Plan to the Commission, as opposed to just simply saying, we've got a blighted piece, we need to acquire it.

Mr. Leimenstoll said his understanding was that staff had covered both bases very well. If one of the 16 owners wanted to sell his or her property before this one year planning process, and that was an optimistic time frame, was up and then can reach an agreement with us on the purchase price for the property, the Commission could close on that property. He understood that, as soon as the property closed, occupants are eligible for relocation help. So it was really very open and could be done very rapidly. He said the Commission should not change the time frame of the Planning Process because this whole process started as a result of two things: The City started to study the land now to be developed and then a community group came, which two Councilmen

were backing, and said that this must be a public process. To avoid the mess that we got into of the community screaming over the baseball stadium, which was still there, that scar was still out

there, and that was very well what this issue was all about. It was about community involvement and that would take time. So the Commission will have to allow that process to take place. He felt what was being proposed by staff was a very thoughtful and really thorough way to deal with allowing the Planning to go ahead, but allowing the Commission to talk with owners who are not capable or interested in waiting for that public process.

Chair Benjamin said he concurred with Mr. Leimenstoll, but he wanted some additional clarification. Before Willow Oaks came before the Commission, he thought they had a situation where people had come to staff before the Commission was able to condemn and voluntarily sold. It became a problem in his mind because some people could get out, but they left a neighbor next door and the Commission boarded up or tore down and the Commission had a role in blight.

Chair Benjamin said the question now was when and how were the people going to move? Will the Commission be a landlord for some period of time, which it had done in other circumstances, or will we say we want to do the demolition quickly. He'd like to be able to tell people who ask: Here is my understanding as to when we will be in a position to purchase and this is what is going to happen.

Mr. Wood asked Counsel Blackwood, since this was the first project since any of the present members had been on the Commission that had actually been declared blighted, what does this do?

Counsel Blackwood said by itself the certification by the Planning Board would allow the Commission in the Redevelopment Plan to designate, if you so chose, every parcel. If it were blighted or simply vacant and clean property with no problems, the Commission could acquire any and everything within the area. He said there had been numerous areas over the decades that the City had declared blighted.

Mr. Wood asked if the value of one of these properties were "X" week before last, the fact that last week it was declared blighted, would that, in effect, affect the appraised value?

Counsel Blackwood said that was not supposed to be taken into account in the appraisal process.

Counsel Blackwood said, in the redevelopment process, the problem, from the practical and political aspect, is that, because it takes time; you will have people whose properties are affected. But from a legal standpoint, the significant date is when the area gets declared as a Redevelopment Area. It does take time and the longer it takes, the more the owners don't know what to do. It was a practical problem. Legally you're not under any specific constraint about the timing to acquire something, but in the meantime, just like Mr. Wood was saying, from a practical standpoint once you declare an area blighted, it does have a practical impact.

Chair Benjamin reiterated that the appraisal process was not supposed to consider redevelopment. As a future discussion item, when the Commission makes an offer, what would be done about the impact of the environmental issues on that property? Was it an advantage or a disadvantage to be able to say the Redevelopment Commission had developed a policy that if

you want to voluntarily sell your property, you could do so? Secondly, that the Commission would help any tenant relocate once a closing took place. Does the Commission perceive value in

setting up some kind of rule that says: Once the Commission signs an agreement, it will be closed in a certain amount of time? He looked at it as being attractive to a buyer because most of these buyers who were voluntarily approaching the Commission or staff are doing so because they don't want to have a question mark standing over their head and they want to get the money in their pocket as soon as possible.

Mr. Curry said the things that the Commissioners had mentioned were reasonable and would show up in the policy staff would bring back to the Commission. He thought they were going to have to deal with leases and what time period was going to be provided. They will have to provide every tenant a 90-day notice, which was the minimum. As an alternate policy, the Commission could customize the policy to fit this project. They might do one thing if the contamination was caused by a prior owner, or something different if the contamination were caused by the current owner, and that was the sort of thing that staff will work through and put into the policy that the Commission would be asked to review and comment.

In response to a question from Ms. Coad, Mr. Curry said tenants and owners [occupants] would receive relocation.

Counsel Blackwood said one thing that might not be addressed was a concern that the tenant was not going to know whether or not the landlord had decided to sell or when it was going to close. He thought the tenant didn't necessarily need to know how much the landlord was selling for, but if they reached an agreement with the landlord, knowing there was a lease, it would be appropriate to notify the tenant saying: Your landlord has agreed to sell the property and the closing date was set as being on or before X day. Once again, we want to advise you that you need to remain as a tenant until that time at a minimum to be eligible for relocation. Then send the tenant that letter so they were aware of the situation.

Mr. Curry said the schedule was very rough and was dependent upon the grant agreement being in our hands because staff was not going to do anything officially before the funding was secured.

Mr. Curry said he was the Project Manager for the South Elm Project. Ms. Arkin and Ms. Harris would be involved in the redevelopment work as far as the acquisition and relocation work.

Chair Benjamin said in terms of looking at the mission or time constraints for the Commission, this would be the biggest thing on their focus going forward for the next while, assuming that they wrestle about values like they had done in the past. One thing he was going to encourage was that they really need to be very cognizant of who they use as appraisers. We certainly need commercial grade appraisers.

Ms. Arkin said staff had actually gone through very extensive requests for qualifications and they had identified several additional appraisers and appraisal firms that they propose to use. They have some specific ones pulled out to do the commercial appraisals. They have a higher level of certification or qualification, which translates to a longer term of experience with commercial properties. They had done more commercial appraisals so they get this higher designation. She mentioned that they were putting together a slightly modified process of getting appraisals that they were going to propose to the Commission for input and feedback.

Ms. Arkin said they did a specific pre-approval process for appraisers for Willow Oaks because there were so many acquisitions at one time. On other Redevelopment appraisals, they had used

a variety of appraisers, but it was her understanding they weren't necessarily pre-approved in any way.

Chair Benjamin said the quality level of appraisals was a concern. They needed a uniform approach.

Counsel Blackwood said that the funding for acquisitions has a set of regulations and requirements for appraisals.

Mr. Curry said it was all Community Development Block Grant funds and follows the Federal Community Development regulations.

Ms. Arkin said they would still be required to get review appraisals. They were attempting to expand their definition of a review appraisal to make it a more useful document.

In response to a question from Mr. Wood as to having review appraisers actually go out and look at property, Ms. Arkin said they could do that, but that was not a desk review. They were not required to do that by the Federal funding.

Counsel Blackwood said the Commissioners also had to appreciate that, if they did as Mr. Wood suggested, really they were asking for a complete and separate appraisal. The review appraiser should not offer any opinion of value, but say that the process had been followed. In the review, the reviewers had been saying that the process had been followed; therefore, the appraisal value was substantiated, which it is not, that was an incorrect statement on those review appraisals. If they end up in court, it implies that John Smith, who didn't even see the property, agreed with that value and he didn't necessarily agree with the value.

Mr. Leimenstoll said he was hearing that the review appraiser should not even address the value of the property.

Counsel Blackwood said it should not. It strictly should follow the form, such as comparables stated in the appraisals, whether they were within the acceptable time frame or the acceptable vicinity. It should be strictly limited to things like that. They really shouldn't even necessarily say whether or not it means the appraisal was not completely acceptable, just that it didn't meet these criteria.

Ms. Arkin said what staff was trying to clarify and would be bringing to the Commission was a process where it is clear when we get a second appraisal, in addition or subsequent to a review. They were trying to set up a series of steps so that, if you meet these conditions, you move directly to review. If you meet other conditions, then you don't move directly to review, but to a second appraisal, then take those two appraisals and get them reconciled by a third appraiser. So staff was attempting to make this a more methodical and clear process. It was very clear up to this point, but the Commissioners were aware, there was not a clear process as to what to do when there was a problem with an appraisal.

Counsel Blackwood said his suggestion would be that in accepting an appraiser to do an appraisal, that they would be given certain guidelines about the requirements that the review

appraiser was going to be looking to see are met. In the agreement, you also explain that if the review appraiser determines they have not met some of the guidelines, they must redo their appraisal to meet the guidelines at no additional cost.

Ms. Arkin said that actually was in the contract.

Counsel Blackwood said the review appraisal simply should be saying whether or not you meet the guidelines, and that was all it should say. If they come back and say that it does not, then you don't have an acceptable appraisal to present and that can then go back to the appraiser to be redone. He had heard it stated before in presentations, here the appraisal has been reviewed and the review appraiser agrees with the appraiser, which is not accurate. The review appraiser is only stating that the methodology follows the correct techniques and that was really how it should be presented.

Chair Benjamin said there had been appraisers who did not have access to the property being appraised. However, if they were doing a condemnation and they didn't have access, that could be a problem.

Counsel Blackwood agreed that was a problem because if they were getting appraisals at a time when they had not instituted condemnation; we don't have right of entry. The appraisers will write the owners and request permission to enter, but if the owner doesn't agree or he is not around, then you get the owners coming in and saying the appraiser said that with rents of \$300, but really I'm getting \$350 at the time we're doing these appraisals, we don't have the legal authority unless the owner has given it.

Chair Benjamin said he thought they should add a step in between 5 and 6 that they needed to have an accepted authorization before they initiated an appraisal. In other words, what the Commission does is it gets consent of an owner. If they were saying, yes, we are willing to voluntarily enter into discussions; we set up a set of terms, including access to the property. We are accelerating a program, we're coming forward with money faster, but they would have to come forward with something that would allow us to be in the position for that.

Counsel Blackwood said he thought staff would be correct in doing this. You could not do it unless you had the owner's permission and, in effect, the assistance and cooperation in having the appraisal done. On the other hand, he, as an owner, would certainly not agree to be bound by any appraisal.

Chair Benjamin said staff would have to figure out what they were asking the owner and what the owner was authorizing staff to do and put us into a position to actually produce something that would make sense. At the same time, you could say to them, we would also want you to authorize our environmental person to have access to the property.

Mr. Curry said staff would think that through. He thought it would work, but there might be some owners who would not consent.

Ms. Arkin said the Rosewood Report was just for the Commissioners' information from Mary Beth Kerns.

Ms. Coad said she wished staff well. She said there had been a lot of things talked about. There was a lot of consensus and there was also a lot of mistrust when the City comes in and they were all aware of that. As far as people know about this, there had been a series of meetings in Southside and it was widely known. But she was not sure how well people trust the City to come in and do right by them.

Mr. Wood said the group that had just been appointed to look into that, could staff give the Commission an idea as to who makes up this group?

Mr. Curry said it was a diverse group made up of a teenager, property owners from the vicinity of the project, and other interested parties that were affiliated with different community organizations, such as Action Greensboro, Downtown Greensboro, the YWCA and a lot of community involvement. They had neighborhood representatives from Ole Asheboro (Dorothy Brown), Warnersville, etc.

Chair Benjamin suggested that staff supply that list to everybody by email so they could look at it.

Mr. Curry said their purpose was to be advisors as staff works through the Master Planning process. So they would be the front line for helping staff design the process and from the process get to the end result. They weren't a decision-making body; they were advisory.

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There being no further business before the Commission, the meeting was adjourned at 7:12 p.m.

Respectfully submitted,

Dan Curry, Assistant Secretary
Greensboro Redevelopment Commission

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